

HERBALIFE LTD.  
Form 3  
August 22, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Walsh Des		(Month/Day/Year)	HERBALIFE LTD. [HLF]	
(Last)	(First)	08/02/2006		
1800 CENTURY PARK EAST			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
LOS ANGELES,Â CAÂ 90067			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			SVP, Distributor Sales	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock <sup>(1)</sup>	1,875	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Title	Amount or Number of	Security	

				Shares		(I) (Instr. 5)	
Non-Qualified Stock Option (Right to Buy)	Â (2)	04/03/2014	Common Stock	53,750	\$ 8.02	D	Â
Non-Qualified Stock Option (Right to Buy)	Â (3)	09/01/2014	Common Stock	14,250	\$ 9	D	Â
Non-Qualified Stock Option (Right to Buy)	Â (3)	09/01/2014	Common Stock	15,000	\$ 13	D	Â
Non-Qualified Stock Option (Right to Buy)	Â (3)	09/01/2014	Common Stock	15,000	\$ 17	D	Â
Non-Qualified Stock Option (Right to Buy)	Â (3)	09/01/2014	Common Stock	15,000	\$ 21	D	Â
Non-Qualified Stock Option (Right to Buy)	Â (3)	09/01/2014	Common Stock	15,000	\$ 25	D	Â
Non-Qualified Stock Option (Right to Buy)	Â (4)	12/01/2014	Common Stock	62,500	\$ 15.5	D	Â
Non-Qualified Stock Option (Right to Buy)	Â (5)	04/27/2015	Common Stock	25,000	\$ 15	D	Â
Stock Appreciation Rights	Â (6)	03/23/2016	Common Stock	17,500	\$ 32.79	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Walsh Des 1800 CENTURY PARK EAST LOS ANGELES, CA 90067	Â	Â	Â SVP, Distributor Sales	Â

## Signatures

Vicki Tuchman by Power of Attorney 08/22/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- Consists of grant of restricted stock units under the Herbalife Ltd. 2005 Stock Incentive Plan. Each restricted stock unit represents a contingent right to receive one share of Common Stock and vests with respect to 1/3 of the stock units awarded on April 23, 2007, March 23, 2008 and March 23, 2009.
- (1) Option vests 5% on 4/3/2004 and 5% quarterly increments thereafter commencing on June 30, 2004 and on the last day of each subsequent calendar quarter thereafter until fully vested.
  - (2) Option vests in 5% quarterly increments commencing on September 30, 2004 and on the last day of each subsequent calendar quarter thereafter until fully vested.
  - (3) Option vests in 5% quarterly increments commencing on September 30, 2004 and on the last day of each subsequent calendar quarter thereafter until fully vested.

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- (4) Options vest in equal increments on 12/1/2007, 12/1/2008 and 12/1/2009.
- (5) Option vests in 5% quarterly increments commencing on June 30, 2005 and on the last day of each subsequent calendar quarter thereafter until fully vested.
- (6) Stock Appreciation Rights vest in 5% quarterly increments commencing on March 31, 2006 and on the last day of each subsequent calendar quarter thereafter until fully vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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